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SUBJECT: MANGO UPDATE

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11. (SBU) Summary: On August 6, the Foreign Agricultural Service (FAS) hosted the third digital video conference (DVC) with the Pakistani Ministry of Food and Agriculture (MINFA) and USDA's office of Animal and Plant Health Inspection Service (APHIS) to discuss the next steps towards U.S. market access for Pakistani mangoes. Stalled for over a year, GOP officials were dismayed to learn during the DVC that APHIS now proposes to irradiate Pakistani mangoes in the United States upon arrival, rather than using the newly-equipped irradiation facility outside of Lahore - built at the suggestion of the USG. The subject of discussion at the Trade and Investment Framework Agreement (TIFA) meeting in April 2009 and the U.S.-Pakistan Afghanistan Trilateral discussions in May 2009, Post strongly recommends that the U.S. renew good faith efforts to fulfill this outstanding POTUS commitment, while at the same time building capacity within Pakistan's National Animal and Plant Health Inspection Service (NAPHIS) and the domestic horticultural product export industry. End Summary.

12. (SBU) FAS hosted GOP officials from MINFA's National Animal and Plant Health Inspection Service and Department of Plant Protection to participate in a DVC with USDA officials from APHIS on August 6. The DVC served to introduce the new APHIS team to the GOP as well as to discuss the status and next steps of Pakistan mango exports to the U.S.- a POTUS commitment that remains outstanding. The GOP is eager to move the preclearance process forward as it has stalled since 2007.

The Process  
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13. (SBU) In order for Pakistani companies to export mangoes to the United States, the GOP must formally apply to APHIS for market access. The lengthy and complicated approval process begins with a Pest Risk Assessment (PRA) which lists the various pests associated with the fruit and recommended methods to mitigate the pest risk prior to shipping. The draft PRA was completed in 2006. To complete the process, APHIS and the GOP must agree on a formal written pest list and confirm that irradiation is the chosen mitigation measure, thus accepting the Pest Risk Assessment. Upon receipt of that letter, APHIS will begin the administrative process to approve mangoes for importation into the United States.

14. (SBU) The administrative process starts with a Federal Register notice which allows the public to comment for 60 days on the

proposed market access from the date of publication. APHIS must address any comments prior to issuing import permits.

Irradiation: In Pakistan or the U.S.?  
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15. (SBU) While the administrative process is underway, the GOP must also receive USDA approval for its irradiation program. There are two paths that Pakistan can take. The first option is to irradiate mangoes in Pakistan; the second option, newly-proposed during the DVC, is to irradiate mangoes upon arrival in the United States. Although the GOP indicated they will pursue both options to determine the most cost-effective scenario, they were absolutely clear that Pakistan prefers the previously-proffered deal to irradiate mangoes in Pakistan in the facility recently constructed near Lahore based on past USG recommendations.

16. (SBU) In October 2007, the GOP and USDA signed a Framework Equivalency Work Plan, the first step towards receiving USDA export approval. The next step is for APHIS to send a team to Pakistan for several months to conduct field inspections and to certify the facility to ensure system integrity based on international standards. The APHIS inspection team must inspect the entire mango export process, from harvesting at the orchard, to irradiating, to exporting for the entire four-month mango season. APHIS requires a security assessment, conducted in coordination with the Embassy RSO, to determine the logistics, costs, and feasibility of sending said team for this inspection and certification process. (Comment: ECON/FAS will coordinate with APHIS and Embassy RSO to facilitate the security assessment). Once the security assessment is completed

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and approved, the GOP must officially apply for facility certification then an APHIS team would be dispatched to begin the Preclearance Process and develop an Operational Work Plan (OWP).

17. (SBU) The GOP has installed a new, Canadian-designed irradiation facility that is currently processing mangoes for export to Northern Europe, Canada and the Gulf. Paying a facility in the United States to perform the same function might not make economic sense. It would also be expensive in terms of the additional time within the stateside marketing chain required to transport perishable fruit to and from the U.S.-based facility. Furthermore, there could be import delays and customs issues with a non-irradiated product that an irradiated product would not face. Finally, the irradiation process could be applied to other products, such as dried fruit, vegetables and other foodstuffs -- not just mangoes.

18. (SBU) Irradiating the mangoes in the United States is a short-term solution. Under this scenario, Pakistani companies would export mangoes to the United States and the importer would ship the product to an irradiation plant for the fee-based process. Only then would the importer begin the distribution process. This option would not require a security assessment nor would it require the costly Preclearance Inspections and Certifications carried out by APHIS officials in Pakistan over several months prior to and during the mango season. The major benefit of this option would be to serve as a trial period to introduce Pakistani mangoes into the U.S. market without making the significant financial commitment required of the complete Preclearance process.

It's Not Just about the U.S.  
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19. (SBU) For GOP officials, U.S. market access is not as important as being able to assure other potential importing countries that the United States has certified Pakistani mangoes as safe. Having the seal of approval from the U.S. Government could provide a significant boost to Pakistan's fruit export industry during a period when the USG is looking for all means to improve Pakistan's agricultural economy. All parties agree that Pakistani mangoes are similar to Indian mangoes and would not have a large market in the U.S. where less-expensive mangoes can be found from Central and South America.

¶10. (SBU) It is estimated that a Pakistani mango would cost about USD 6 at the U.S. retail level -- as compared to approximately USD 1 for a mango from Central America. GOP officials point to a potential niche market of expatriate Pakistanis who will pay this cost for Pakistani mangoes, but acknowledge that the U.S. will not replace their main export markets in Europe and the Gulf States. Currently, Pakistan exports 20,000 kilos of mangoes to France; 18,000 kilos to the Gulf States; 5,000 kilos to the United Kingdom; and 2,000 kilos to Canada - all facilitated through the new irradiation facility in Lahore.

Moving Forward  
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¶11. (SBU) The GOP agreed to provide the agreed-upon pest list and written confirmation that the GOP will use irradiation as the chosen pest mitigation measure. While progressing through the market access procedures, the GOP will make a formal request for irradiation preclearance. Furthermore, the GOP will develop an Operational Work Plan to address issues such as pretreatment requirements, treatment facility activities, export/import documentation, and penalty provisions.

¶12. (SBU) APHIS agreed that, once they received the requested formal documentation from the GOP, they will initiate the administrative process including the Federal Register announcement for public review and comment. APHIS also agreed to provide GOP officials with a sample request for irradiation preclearance to speed up the certification process, as well as information on irradiation treatment facilities in the United States, should the GOP choose that option.

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COMMENT  
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¶13. (SBU) GOP officials are very eager to move forward on this issue and are concerned that the process has actually moved in reverse in the last year: the Framework Equivalency Work Plan was signed two years ago and in a December 2006 DVC, APHIS and GOP officials had already agreed that irradiation was the best method in eradicating the pests (reftel). Acting on that guidance, the GOP has focused all of its efforts on its now-fully-functional irradiation facility.

While delay in the arrival of the necessary Cobalt 60 (a required component for the irradiation facility) on the Pakistani side and security concerns on the U.S. side caused Pakistan to miss the initial export target date of 2008 (reftel), suggesting at this stage that Pakistan should irradiate in the U.S. rather than at the costly new facility we recommended they build is a significant and unhelpful policy shift. End Comment.

PATTERSON